

# SSRO

Single Source  
Regulations Office

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██████████  
Via email: ██████████

Ref: SSRO/RFI 020

19 July 2018

Dear ██████████

## Subject: Request for Information

I am writing in relation to your freedom of information request of 23 May 2018. In my letter of 21 June 2018, I told you that I would write again in response to your question: "which UK companies hold QDCs?"

In my earlier letter, I provided you with a list of contracting companies that hold a QDC, have submitted a report and have reported that they are registered in the UK. As mentioned in my letter, the names of an additional six contracting companies were not included on this list.

We have consulted with the MOD about the disclosure of these six company names. The MOD's view is that "there is still a likelihood that the release of the remaining six suppliers could prejudice the commercial interests of one or more of the interested parties."

On the MOD's advice, we will not disclose the requested information on the basis that the exemption under section 43(2) of the Freedom of Information Act 2000 applies to the information because disclosure of the information would be likely to prejudice the commercial interests of the MOD or one of its contractors. In our view, the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

You may wish to send your question to the MOD directly for further consideration. Alternatively, if you are dissatisfied with the handling of your request, you have the right to ask for an internal review by the SSRO. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to: [enquiries@ssro.gov.uk](mailto:enquiries@ssro.gov.uk).

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely

██████████  
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*Assuring value, building confidence*

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[REDACTED]

Via email: [REDACTED]

Ref: SSRO/RFI 020

21 June 2018

Dear [REDACTED]

## Subject: Request for Information

Thank you for your freedom of information request dated 23 May 2018 in which you asked for the following information:

- The number of contracts that are qualifying defence contracts.
- Which UK companies hold QDCs.
- The QDC pipeline over the next two years.
- QDCs as a percentage of MOD acquisition and support budget.
- The average delay in contract award because of protracted negotiations.
- Associated impact on operational capability.
- How much money is the SSRO saving on contract price through disallowable costs i.e. what is the ratio of allowable costs to original bid submission.
- Is this trend improving for the taxpayer?

We have considered your request under the Freedom of Information Act 2000 (**the Act**) and have responded to each of the points in turn.

- ***The number of contracts that are qualifying defence contracts***

We have recently published our 2017/18 annual statistics bulletin, which contains this information. You can find this published on our website at: <https://www.gov.uk/government/publications/annual-qualifying-defence-contract-statistics-201718>. This is part of a regular series of bulletins, the next of which will be published on 16 August 2018. The bulletin shows that the SSRO was notified of 152 contracts that

became qualifying defence contracts (**QDC**) and qualifying subcontracts (**QSC**) between 1 April 2015 and 31 March 2018. As of 30 April 2018 the SSRO had received contract reports for 141 contracts that became QDCs/QSCs by 31 March 2018. Of these, 117 were QDCs. The bulletin also contains information on QSCs, which you may find useful.

- ***Which UK companies hold QDCs***

Please find attached at Appendix 1 a list of contracting companies that hold a QDC, have submitted a report and have reported they are registered within the UK.

Please note that the names of six additional contracting companies are not included on this list. While we do hold this information, we are currently consulting with the MOD about the disclosure of this information. As we have not yet reached a concluded view as to whether the qualified exemption under section 43(2) of the Act applies to this information, we would like to extend the deadline for our response on this point by a further 20 working days, to 19 July 2018.

In the meantime, let us know if you do not require these six outstanding company names.

Please note that we also hold information on which UK registered contracting companies have QSCs.

- ***The QDC pipeline over the next two years***

We consider that we may hold some information relevant to this request. However, after consulting with the MOD, our view is that this information is exempt from disclosure under section 43(2) of the Act because disclosure of this information is likely to prejudice the commercial interests of the MOD. We also consider that the balance of the public interest in maintaining this exemption outweighs that of disclosing the information.

- ***QDCs as a percentage of MOD acquisition and support budget***

The SSRO does not hold this information.

Please note that the Ministry of Defence produces trade, industry and contracts information, which can be found at the following link: <https://www.gov.uk/government/statistics/mod-trade-industry-and-contracts-2017>. The *Finance and Economics Annual Statistics Bulletin: trade and industry contracts 2017* provides an analysis of competitive and non-competitive expenditure during 2016/17.

- ***The average delay in contract award because of protracted negotiations***
- ***Associated impact on operational capability***

The SSRO does not hold information in relation to these two questions. We suggest that you may consider directing these questions to the MOD.

- ***How much money is the SSRO saving on contract price through disallowable costs i.e. what is the ratio of allowable costs to original bid submission?***
- ***Is this trend improving for the taxpayer?***

We do not hold information in relation to these two questions.

Whether the MOD makes savings as a result of the single source procurement regime is a question that we suggest you raise with the MOD directly.

Please note that the National Audit Office published a report in October 2017, *Improving value for money in non-competitive procurement of defence equipment*, which provides estimates of savings and costs avoidance potentially achieved in the first two and a quarter years of the Single Source Contract

Regulations. The report can be found at the following link: <https://www.nao.org.uk/report/improving-value-for-money-in-non-competitive-procurement-of-defence-equipment/>.

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to: [enquiries@ssro.gov.uk](mailto:enquiries@ssro.gov.uk).

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Please remember to quote the reference number above in any future communications.

Yours sincerely

  
Single Source Regulations Office

## Appendix 1 – list of companies holding QDCs

<b>Contracting Company</b>
Airborne Systems Ltd
Airbus Defence and Space Limited
Airbus Helicopters UK Ltd
AWE Management Limited
Babcock Aerospace Ltd
Babcock Integrated Technology Ltd
Babcock Land Limited
BAE Systems (Operations) Limited
BAE Systems Global Combat Systems LTD
BAE Systems Global Combat Systems Munitions Limited
BAE Systems Marine Limited
BAE Systems Surface Ships Limited
Boeing Defence UK Limited
CGI IT UK Limited
Chemring Countermeasures Limited
Devonport Royal Dockyard Limited
Energy, Safety and Risk Consultants (UK) Limited
Galliford Try Construction (UK) LTD
General Dynamics United Kingdom Limited
Ian Edgar (Liverpool) Ltd
L-3 TRL Technology
Leonardo MW Ltd
Lockheed Martin UK Ltd
MAN Truck & Bus UK Ltd
Marshall Land Systems Limited
Marshall of Cambridge Aerospace Limited
Northrop Grumman UK Limited
QinetiQ Ltd
Raytheon Systems Limited
Remotec UK Limited
Rockwell Collins UK Limited
Rolls-Royce Marine Electrical Systems Limited.
Rolls-Royce plc
Rolls-Royce Power Engineering plc
Rosyth Royal Dockyard Limited (RRDL)
Smiths Detection - Watford Limited
Thales UK Limited
Turbomeca UK Limited
Ultra Electronics Limited

Data correct for contracts that became QDCs between 1 April 2015 and 31 March 2018.

Contractors have one month after the date the contract becomes a QDC to submit contract reports, and so this list includes all contracting companies that have submitted reports for their QDCs by 30 April 2018.

Contracting company name and registered country are as reported by either the contractor or the MOD, in their latest contract report or the initial contract notification. In some circumstances where there are known data quality issues, the data has been amended to ensure the statistics are not misleading.

**From:** [REDACTED]

**Sent:** 23 May 2018 09:17

**To:** Enquiries <enquiries@ssro.gov.uk>

**Subject:** FOI request - SSRO activity

Dear Sir/Madam,

I was hoping you could please provide answers to the below questions:

- Number of contracts that are qualifying defence contracts
- Which UK companies hold QDCs
- QDCs pipeline over next two years
- QDCs as a percentage of MoD acquisition and support budget
- Average delay in contract award because of protracted negotiations
- Associated impact on operational capability
- How much money is the SSRO saving on contract price through disallowable costs i.e. what is the ratio of allowable costs to original bid submission
- Is this trend improving for the taxpayer

Many thanks i advance for your help.

Regards,

[REDACTED]